

WORKFORCE OBSERVATIONS FOR WEST CENTRAL WISCONSIN COUNTIES

FEBRUARY 2003



State of Wisconsin
Department of Workforce Development

Unemployment rates climb as winter takes hold

The seasonally adjusted unemployment rate in the Eau Claire-Chippewa metropolitan statistical (MSA) area declined in January to 5.0 percent from a revised 5.5 percent in December. The unemployment rate declined as the number of unemployed in the area dropped from a seasonally adjusted 4,700 in December to 4,400 in January.

Seasonal adjustment is designed to remove typical seasonal trends from changes in the labor force and reveal the underlying trends in the labor market. In January, however, seasonal adjustment corrected an unusually large increase in the number of unemployed in December. The unadjusted estimates for Eau Claire and Chippewa counties do show the increase in the number of unemployed residents.

Compared with one year ago, there are 100 fewer unemployed in the metro area and the unemployment rate is down three-tenths of a percentage point. The local rate is lower than both the state and national seasonally adjusted unemployment rates of 5.4 and 5.7 percent, respectively. The Eau Claire MSA rate is also lower than four of the state's eleven metropolitan areas.

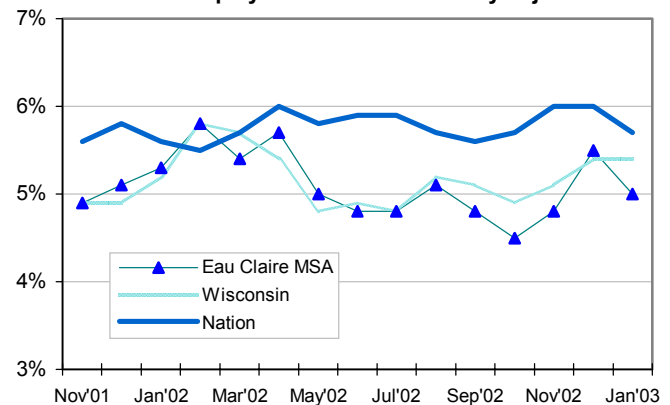
Many of the unemployed residents in the area filed claims for unemployment insurance benefits. Nearly half of the claimants filing for benefits had worked for construction firms and manufacturers. There was also an increase in the number of workers laid off in retail trade and services following the holidays but the increase was only slightly higher than in previous years. Many of those filing claims for unemployment benefits will return to work by

mid-April, but others affected by a permanent reduction will not.

In mid-January there were 3,577 claims filed for unemployment benefits by residents in the metropolitan area. That number increased to 3,939 by mid-February. The number of claimants in the rural counties of West Central Wisconsin also increased following the holidays. By mid-January there were 5,486 claims for benefits which increased to 6,184 by mid-February. In both areas the numbers are higher than one year earlier.

The increase in claims in the rural counties was reflected in an increase in the number of total unemployed in the region. In January there were 17,560 residents out of work and looking for a job,

Unemployment Rates-Seasonally adjusted



| | Nov'01 | Dec'01 | Jan'02 | Nov'02 | Dec'02 | Jan'03 |
|----------------|--------|--------|--------|--------|--------|--------|
| Eau Claire MSA | 4.9% | 5.1% | 5.3% | 4.8% | 5.5% | 5.0% |
| Wisconsin | 4.9% | 4.9% | 5.2% | 5.1% | 5.4% | 5.4% |
| Nation | 5.6% | 5.8% | 5.6% | 6.0% | 6.0% | 5.7% |

Civilian Labor Force Estimates, not seasonally adjusted, for West Central Wisconsin counties

| | Barron | | | Chippewa | | | Clark | | | Dunn | | | Eau Claire Co. | | |
|----------------------|---------|---------|---------|----------|---------|---------|---------|---------|---------|-----------|---------|---------|---------------------|---------|---------|
| | Jan '03 | Dec '02 | Jan '02 | Jan '03 | Dec '02 | Jan '02 | Jan '03 | Dec '02 | Jan '02 | Jan '03 | Dec '02 | Jan '02 | Jan '03 | Dec '02 | Jan '02 |
| Civilian labor force | 24,897 | 24,047 | 24,185 | 31,913 | 31,567 | 31,126 | 15,918 | 15,428 | 15,823 | 23,578 | 23,250 | 23,020 | 53,640 | 53,604 | 51,996 |
| Employed | 22,886 | 22,538 | 22,315 | 29,165 | 29,383 | 28,212 | 14,379 | 14,305 | 14,212 | 22,165 | 22,155 | 21,587 | 50,879 | 51,259 | 49,217 |
| Unemployed | 2,011 | 1,509 | 1,870 | 2,748 | 2,184 | 2,914 | 1,539 | 1,123 | 1,611 | 1,413 | 1,095 | 1,433 | 2,761 | 2,345 | 2,779 |
| % unemployed | 8.1 | 6.3 | 7.7 | 8.6 | 6.9 | 9.4 | 9.7 | 7.3 | 10.2 | 6.0 | 4.7 | 6.2 | 5.1 | 4.4 | 5.3 |
| | Pepin | | | Pierce | | | Polk | | | St. Croix | | | West Central region | | |
| | Jan '03 | Dec '02 | Jan '02 | Jan '03 | Dec '02 | Jan '02 | Jan '03 | Dec '02 | Jan '02 | Jan '03 | Dec '02 | Jan '02 | Jan '03 | Dec '02 | Jan '02 |
| Civilian labor force | 3,232 | 3,247 | 3,183 | 21,744 | 21,392 | 21,355 | 24,405 | 23,674 | 23,560 | 38,482 | 37,958 | 37,422 | 237,809 | 234,167 | 231,670 |
| Employed | 2,981 | 3,046 | 2,884 | 20,338 | 20,266 | 20,037 | 22,172 | 21,928 | 21,456 | 35,255 | 35,130 | 34,733 | 220,220 | 220,010 | 214,653 |
| Unemployed | 251 | 201 | 299 | 1,406 | 1,126 | 1,318 | 2,233 | 1,746 | 2,104 | 3,227 | 2,828 | 2,689 | 17,589 | 14,157 | 17,017 |
| % unemployed | 7.8 | 6.2 | 9.4 | 6.5 | 5.3 | 6.2 | 9.1 | 7.4 | 8.9 | 8.4 | 7.5 | 7.2 | 7.4 | 6.0 | 7.3 |

Industry Employment Estimate: Current month - January 2003

| | Barron | | | Clark | | | Dunn | | | Pepin | | |
|------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | Jan '03 | Dec '02 | Jan '02 | Jan '03 | Dec '02 | Jan '02 | Jan '03 | Dec '02 | Jan '02 | Jan '03 | Dec '02 | Jan '02 |
| Total Nonfarm | 21,208 | 21,609 | 21,004 | 9,659 | 9,799 | 9,578 | 15,878 | 16,421 | 15,652 | 2,160 | 2,261 | 2,101 |
| Const/Min'g/Nat. Resources | 487 | 662 | 550 | 419 | 489 | 435 | 475 | 630 | 501 | 149 | 165 | 148 |
| Manufacturing | 6,256 | 6,186 | 6,416 | 2,657 | 2,649 | 2,724 | 2,216 | 2,207 | 2,191 | 164 | 168 | 180 |
| Trade | 3,429 | 3,527 | 3,569 | 1,394 | 1,411 | 1,363 | 2,401 | 2,441 | 2,302 | 483 | 468 | 503 |
| Transportation & Utilities | 423 | 470 | 453 | 379 | 415 | 363 | 1,780 | 1,726 | 1,697 | 48 | 54 | 72 |
| Financial Activities | 530 | 502 | 470 | 314 | 284 | 287 | 439 | 435 | 420 | 80 | 76 | 78 |
| Education & Health Services | 2,237 | 2,228 | 2,184 | 1,117 | 1,119 | 1,086 | 1,300 | 1,322 | 1,289 | 288 | 283 | 276 |
| Leisure & Hospitality | 1,646 | 1,888 | 1,507 | 703 | 669 | 586 | 1,376 | 1,504 | 1,352 | 219 | 264 | 94 |
| Info/Prof. & Bus.Serv./Other | 1,545 | 1,554 | 1,487 | 617 | 604 | 612 | 1,170 | 1,259 | 1,242 | 172 | 211 | 201 |
| Total Government | 4,655 | 4,592 | 4,368 | 2,059 | 2,159 | 2,122 | 4,721 | 4,897 | 4,659 | 557 | 572 | 549 |

| | Pierce | | | Polk | | | St. Croix | | | Eau Claire MSA | | |
|-------------------------------|---------|---------|---------|---------|---------|---------|-----------|---------|---------|----------------|---------|---------|
| | Jan '03 | Dec '02 | Jan '02 | Jan '03 | Dec '02 | Jan '02 | Jan '03 | Dec '02 | Jan '02 | Jan '03 | Dec '02 | Jan '02 |
| Total Nonfarm | 9,619 | 10,664 | 9,570 | 14,770 | 15,128 | 14,544 | 25,984 | 26,785 | 25,757 | 74,170 | 77,546 | 73,001 |
| Const/Min'g/Nat. Resources | 459 | 560 | 427 | 656 | 762 | 605 | 1,375 | 1,639 | 1,293 | 2,519 | 2,831 | 2,513 |
| Manufacturing | 834 | 844 | 816 | 3,782 | 3,827 | 3,882 | 5,691 | 5,811 | 6,032 | 11,228 | 11,276 | 11,198 |
| Trade | 1,163 | 1,234 | 1,150 | 1,969 | 2,018 | 2,055 | 4,264 | 4,254 | 4,192 | 12,508 | 12,926 | 12,718 |
| Transportation & Utilities | 408 | 450 | 435 | 319 | 316 | 315 | 944 | 1,004 | 915 | 2,843 | 2,857 | 2,582 |
| Financial Activities | 404 | 393 | 370 | 545 | 535 | 521 | 984 | 980 | 945 | 3,730 | 3,715 | 3,633 |
| Education & Health Services | 1,056 | 1,097 | 1,040 | 2,025 | 2,045 | 1,945 | 2,788 | 2,805 | 2,743 | 12,198 | 12,278 | 11,708 |
| Leisure & Hospitality | 1,208 | 1,286 | 1,127 | 1,317 | 1,340 | 1,230 | 3,008 | 3,082 | 2,712 | 6,977 | 7,140 | 6,839 |
| Information/Prof. & Bus.Serv. | 943 | 1,072 | 1,060 | 1,408 | 1,479 | 1,384 | 3,236 | 3,357 | 3,367 | 7,725 | 7,839 | 7,562 |
| Other Services | NA | NA | NA | NA | NA | NA | NA | NA | NA | 3,684 | 3,747 | 3,619 |
| Total Government | 3,144 | 3,729 | 3,144 | 2,749 | 2,804 | 2,606 | 3,694 | 3,851 | 3,558 | 10,758 | 12,937 | 10,629 |

Current month preliminary. Estimates based on March 2002 benchmark.

3,000 more than in December. The increase in unemployed produced a higher unemployment rate in January of 7.4 percent compared with 6.0 percent in December and 7.3 percent twelve months earlier.

All counties in the region had higher unemployment rates in January, as did 71 of the state's 72 counties. However, only Dunn, Clark and Pepin counties were among the 42 where rates declined from one year ago.

The number of jobs with employers in each of the nine counties was greater in January than twelve months earlier, indicating that employers were adding jobs during 2002. However, from December to January the region lost nearly 7,000 jobs.

Reductions in government employment, especially state government, resulted in the greatest loss of jobs from an industry sector. There were nearly 3,000 fewer state government jobs, primarily in counties with state universities, in January than in December. The Eau Claire metro area absorbed the majority of the reductions, however, as students left for the holidays and cooks, janitors, room cleaners, and office support staff were laid off.

The second greatest loss in jobs occurred in construction, and effected every county in the region. Re-

gionwide, roughly 1,200 construction workers, typical for the time of year, were laid off during the month. In January there were roughly 6,500 construction workers still on the job in the region compared with 6,400 workers one year earlier. Laid off construction workers, along with workers from manufacturing employers, comprise the over half the claims filed for unemployment compensation benefits.

The substantial number of claims from workers losing their production job is reflected in the continued weakness of the manufacturing employment. In January there were over 600 fewer production jobs than one year earlier. Nearly every county in the region is suffering from the loss of manufacturing jobs.

The unusual weather and lack of snow did drive some employers to lay off workers. Claims from workers in retail trade and services increased by mid-January and were slightly higher than during the same period one year ago. But there were also more jobs. In January there were roughly 16,500 jobs, 1,000 more than one year ago, in the leisure and hospitality sector, a new group under the North American Industry Classification System that is being introduced this month.

Look for the most current Labor Market Information at: WWW.DWD.STATE.WI.US/LMI

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